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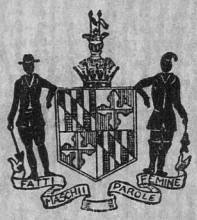
Eighteenth Annual Report

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND



1937

LIBRARY—COLLEGE PARK

EIGHTEENTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

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MARYLAND RACING COMMISSION

BOARD

JERVIS SPENCER, JR., *Chairman*
GEORGE R. NORRIS
FRANK SMALL, JR.

STAFF

JAMES F. HAYWARD.....*Secretary*
MRS. WILLIAM CHESNUT.....*Stenographer and Bookkeeper*
EDWARD G. SHIPLEY.....*Auditor*
THOMAS A. LADSON.....*Veterinarian*
WILLIAM F. BROENING, JR.....*Judge-at-large*
GEORGE D. STANLEY.....*General Inspector*
DOUGLAS C. TURNBULL.....*Inspector*
BERNARD BEALL.....*Inspector*
CARROLL BRICE.....*Inspector*
WILLIAM B. WADE.....*Inspector*

EIGHTEENTH ANNUAL REPORT

OF THE

MARYLAND RACING COMMISSION

To His Excellency, Harry W. Nice,
Governor of Maryland.

We are gratified with the marked improvement in racing in 1937. The horses competing in Maryland this fall were as good, if not better, than those on the tracks in any other State at any time this year. Racing that Maryland can be proud of was largely the result of increased purses, especially at Pimlico, and by cooperation among the tracks in inducing the owners of the best horses to take part in our racing. It will be necessary for our Associations to continue their liberality in purse distribution if racing here is to continue on its present plane.

Bad weather prevailed rather generally during the meeting of the Maryland State Fair, Incorporated, operating the track at Laurel and, as a result, this Association suffered severely. On two occasions the Patuxent River rose to such heights that the main approaches to the Laurel track were impassable. Only an unpaved county road connecting with the stabling enclosure could be used in getting to and from the property. On August 27th, the half-mile track at Marlboro was so completely isolated by a stream over-flowing the roadway leading directly into the grounds that it was necessary to cancel the racing for that day. As a result, the profits from the operation of the Laurel and Marlboro tracks were not as great as they otherwise would have been, but the racing year as a whole was very satisfactory financially.

We regret very much that the sponging of race horses again took place at Bowie this season. This is most disturbing. After discussing the circumstances thoroughly with owners, trainers and veterinarians, we have decided to have all horses examined by a veterinarian before being allowed to

start. If this examination is properly made it will not only stop the sponging of horses, but also the starting of horses not in proper shape to race from any cause. This precaution will supplement others already taken.

The Legislature of 1937 enacted an amendment to the racing law whereby the number of racing days allowed Marlboro and Timonium was increased in each instance from five to ten. The Harford County Fair Association was added to the list of associations authorized to have racing with betting privileges. It was given ten days. These thirty days, added to the days allowed Hagerstown and Cumberland, make a total of fifty days' racing at county fair tracks. A ten day race meeting had previously been legalized for the Pocomoke Fair Association. These days have never been utilized but the Commission understands that the situation as it applies to these days is now being carefully surveyed with the intention of racing at Pocomoke if practicable.

In increasing the days, the Legislature of 1937 provided a moderate tax on each fair association having betting privileges, this revenue to be deposited in the State Treasury, subject to the order of the State Fair Board, and used by it in promoting a State Fair, in the interest of agriculture and live stock breeding in Maryland.

Legal provision was also made for ten days of trotting racing with betting privileges.

We are very much pleased that an effort has been made to aid the agricultural activities in Maryland. However, the legalized days for county fair racing, plus the one hundred days of racing at the mile tracks, give the State as much racing as it can possibly stand and we hope that under no consideration will there be any additions to the betting privileges already legalized.

There is attached hereto an account of the receipts and disbursements of the Commission and an account of the receipts and disbursements of the licensees of the Commission having betting privileges. Also a statement of the receipts and disbursements of the State Fair Board.

Respectfully submitted,

JERVIS SPENCER, JR., *Chairman*
GEORGE R. NORRIS
FRANK SMALL, JR.

MARYLAND RACING COMMISSION

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year 1937

RECEIPTS

County Fairs:			
Harford County Fair Association, Inc., Bel Air, Md.:			
Ten days racing at $50.00 per day (Running)		$500.00	
Three days racing at $50.00 per day (Trotting)		150.00	
One per cent tax on money wagered in excess of $500,000..		4,149.55	
Five per cent of net revenue		.....	
Unexpended balance of $5,000 allowed by law for premiums		.....	$4.799.55
Cumberland Fair Association, Cumberland, Md.:			
Ten days racing at $50.00 per day		$500.00	
One per cent tax on money wagered in excess of $500,000....		3,155.72	
Five per cent of net revenue		.....	
Unexpended balance of $5,000 allowed by law for premiums		279.16	3.934.88
Southern Md. Agricultural Fair Association, Marlboro, Md.:			
Nine days racing at $50.00 per day		$450.00	
One per cent tax on money wagered in excess of $500,000..		921.91	
Five per cent of net revenue		974.75	
Unexpended balance of $5,000 allowed by law for premiums		.....	2,346.66
Maryland State Fair and Agricultural Society of Baltimore County, Timonium, Md.:			
Ten days racing at $50.00 per day		$500.00	
One per cent tax on money wagered in excess of $500,000..		3,775.60	
Five per cent of net revenue		.....	
Unexpended balance of $5,000 allowed by law for premiums		.....	4,275.60
Agricultural & Mechanical Association of Washington County, Hagerstown, Md.:			
Ten days racing at $50.00 per day		$500.00	
One per cent tax on money wagered in excess of $500,000..		1,151.29	
Five per cent of net revenue		223.07	
Unexpended balance of $5,000 allowed by law for premiums		856.65	2,731.01
Total Receipts from County Fairs			$18,087.70
One-mile tracks:			
Harford Agricultural and Breeders' Association, Havre de Grace, Md.:			
Twenty-five days racing at $6,000 per day..	$150,000.00		
One per cent tax on money wagered	80,001.23		
Fifteen per cent of net revenue	25,250.42	$255,251.65	
Maryland State Fair, Inc., Laurel, Md.:			
Twenty-five days racing at $6,000 per day....	$150,000.00		
One per cent tax on money wagered	75,099.29		
Fifteen per cent of net revenue	12,019.22	237,118.51	
Maryland Jockey Club of Baltimore City, Pimlico, Md.:			
Twenty-five days racing at $6,000 per day....	$150,000.00		
Twenty five days racing at $3,000 per day a/c of Baltimore County	75,000.00		
One per cent tax on money wagered	101,849.41		
Fifteen per cent of net revenue	15,105.11	341,954.52	
Southern Maryland Agricultural Association, Bowie, Md.:			
Twenty-five days racing at $6,000 per day....	$150,000.00		
One per cent tax on money wagered	78,823.15		
Fifteen per cent of net revenue	24,815.08	253,638.23	
Total Receipts from Licensees			1,087,962.91
Miscellaneous:			
License fees: Jockeys and trainers		$1,828.00	
Registration Fees:			
Agents	$105.00		
Jockey agents	54.00		
Colors	260.00	419.00	
Total Miscellaneous Receipts			$2,247.00
Total of All Receipts			$1.108.297.61

MARYLAND RACING COMMISSION

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year 1937

DISBURSEMENTS

County Fairs:			
Harford County Fair Association, Inc., Bel Air, Md.:			
To State Comptroller:			
One per cent tax on wagering	$4,149.55		
To Treasurer of Harford County:			
Ten days license fees at $50.00 per day	500.00		
To Treasurer of State of Maryland:			
Three days license fees at $50.00 per day (Trotting Races)	150.00	$4,799.55	
Cumberland Fair Association, Cumberland, Md.:			
To State Comptroller:			
One per cent tax on wagering	$3,155.72		
Unexpended balance of $5,000 allowed by law	279.16		
To Treasurer of Allegany County:			
Ten days license fees at $50.00 per day	500.00	3,934.88	
Southern Maryland Agricultural Fair Association, Marlboro, Md.:			
To State Comptroller:			
One per cent tax on wagering	$921.91		
Five per cent of net revenue	974.75		
To Treasurer of Prince George's County:			
Nine days license fees at $50.00 per day	450.00	2,346.66	
Maryland State Fair and Agricultural Society of Baltimore County, Timonium, Md.:			
To State Comptroller:			
One per cent tax on wagering	$3,775.60		
To Treasurer of Baltimore County:			
Ten days license fees at $50.00 per day	500.00	4,275.60	
Agricultural & Mechanical Association of Washington County, Hagerstown, Md.:			
To State Comptroller:			
One per cent tax on wagering	$1,151.29		
Five per cent of net revenue	223.07		
Unexpended balance of $5,000 allowed by law	856.65		
To Treasurer of Washington County:			
Ten days license fees at $50.00 per day	500.00	2,731.01	
Total Disbursements for County Fairs			$18,087.70
Office Expenses:			
Salaries:			
Commission	$10,000.00		
Office	5,800.00	$15,800.00	
Premiums on bonds (Commission and Office)		1,560.00	
Employees' salaries and expenses for county fairs		300.00	
Automobile hire		1,092.50	
Travel and miscellaneous expense		900.65	
Miscellaneous		130.72	
Stationery and printing		170.43	
Subscriptions and dues		311.29	
Rent		1,508.64	
Telephone and telegraph		189.39	
Saliva tests		229.50	
Clerical services—Farm Board		50.00	
Total Office Expenses		$22,243.12	
Paid to Treasurer of Baltimore County:			
License fee 25 days racing at $3,000 per day (Pimlico)		75,000.00	
Paid to Treasurer of State: December 29, 1937		992,966.79	1,090,209.91
Total of All Disbursements			$1,108,297.61

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED

Statement of Income and Surplus for the Year Ended October 31, 1937

REVENUE

Admissions:		
General	$201,408.00	
Club House	13,302.00	
Boxes	2,117.50	
Pari-mutuel commissions and breakage	663,911.55	
Programs—net	11,356.25	
Concessions	14,050.00	
Interest on obligations of the United States of America	4,175.00	
Rent	130.00	
Leads to post	50.00	
Total		$910,500.30

*EXPENSES

State license—25 days at $6,000.00 each		$150,000.00	
State tax on pari-mutuel sales		80,001.23	
State tax on admissions		2,095.37	
Stakes and purses		227.700.00	
Awards to breeders		3,125.00	
Pari-mutuel expenses:			
Salaries and wages		76,050.30	
Stationery and printing		14,635.24	
Transportation of money		1,650.00	
Cash shortages—net		931.51	
Miscellaneous		1,075.00	
Salaries and wages of racing officials and employees		30,020.00	
Wages of temporary track employees		14,946.95	
Services of detective agency		12,737.24	
Ambulance and hospital service		681.00	
Rental of starting stalls		750.00	
Photo-finish expense		1,875.00	
Music and announcing		1,432.29	
Advertising and publicity service		14,227.30	
Officers' salaries and directors' compensation:			
M. H. Fahey:			
Salary as president	$2,400.00		
Compensation as director	800.00		
		$3,200.00	
Carried forward		$3,200.00	$633,933.43

Revenue—(forward)			$910,500.30
Expenses—(forward)	$3,200.00	$633,933.43	
Edward Burke:			
Salary as vice-president and treasurer	$15,000.00		
Compensation as director	800.00		
		15,800.00	
Richard Reid Rogers:			
Salary as secretary..	$1,600.00		
Compensation as director	800.00		
		2,400.00	
E. F. Simms:			
Compensation as director		800.00	
S. J. Burke:			
Compensation as director		800.00	
Total		23,000.00	
Salaries of regular track employees		10,200.00	
Salaries of clerks—New York City		700.00	
Repairs and maintenance		17,621.00	
Tools and supplies		2,074.76	
Team and truck hire		1,246.80	
Heat, light, and water		1,767.11	
Taxes—real estate, franchise, personal property, Federal capital stock, etc.		8,721.23	
Insurance premiums		11,991.08	
Rent		8,150.00	
Stationery, printing, and postage		3,919.28	
Telephone and telegraph		1,817.97	
Professional services		2,615.91	
Donations:			
Judge A. Gerecht, Chairman	$25.00		
Havre de Grace Hospital	500.00		
Total		525.00	
Provision for doubtful accounts receivable		105.00	
Federal old age benefits taxes		958.17	
Unemployment insurance taxes		3,993.54	
Miscellaneous		2,943.48	
Total			736,283.76
***Net Income for the Year**			**$174,216.54**

***Net Income for the Year—(forward)**		**$174,216.54**
SURPLUS CREDIT		
Pari-mutuel tickets outstanding applicable to meetings of the fiscal year 1934, credited to surplus		2,545.55
***Gross Surplus for the Year**		**$176,762.09**
SURPLUS CHARGES (exclusive of dividends)		
Federal tax on income for the preceding calendar year	$16,448.05	
Additional Federal tax on income for the calendar year 1935, and interest thereon	1,063.55	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended October 31	22,090.61	
Provision for depreciation for the preceding calendar year, as determined by the Association	21,860.37	
Total		61,462.58
Surplus for the Year, Before Dividends		**$115,299.51**
Dividends Paid		**140,000.00**
Deficit for the Year		**$24,700.49**

NOTES:

*Exclusive of or before provision for depreciation of property, Federal income tax, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the foregoing statement for depreciation of property, Federal and State taxes on income, and Federal unemployment insurance tax for the ten months ended October 31, 1937, for license fee or tax of 15% of net taxable revenue for the year ended October 31, 1937, amounting to $25,250.42, or for Federal capital stock tax accrued for the period from July 1 to October 31, 1937.

Statement Showing Computation of Net Revenue for the Year Ended October 31, 1937, Taxable by the Maryland Racing Commission

Deficit for the Year		$24,700.49
Amounts which were deducted in determining deficit for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income:		
Year ended December 31, 1936	$16,448.05	
Additional tax for year ended December 31, 1935, and interest thereon	1,063.55	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended October 31, 1936	22,090.61	
Provision for depreciation for the year ended December 31, 1936, as determined by the Association	21,860.37	
Dividends paid	140,000.00	
Donations	525.00	
		201,987.58
Net Taxable Revenue Before Deducting Cost of Additions to Property		$177,287.09
Deduct Cost of Additions to Property During the Year Ended October 31, 1937 (allowed by the Commission as a deduction in computing net taxable revenue, as permitted by law):		
Fifty-five acres of land	$4,419.65	
Furniture and fixtures	41.60	
Tractor	920.00	
Construction of stewards' stand and camera house	3,569.68	
		8,950.93
Net Revenue for the Year Ended October 31, 1937, Taxable by the Maryland Racing Commission		$168,336.16
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended October 31, 1937		$25,250.42

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1937, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, November 19, 1937.

THE MARYLAND STATE FAIR, INCORPORATED

Statement of Income and Surplus for the Year Ended November 1, 1937

REVENUE

Admissions:		
General	$176,758.50	
Club House	21,143.00	
Paddock	1,385.50	
Boxes	3,510.00	
Membership dues	2,260.00	
Service charge in connection with complimentary badges	4,785.60	
Pari-mutuel commissions and breakage	625,014.40	
Programs—net	11,387.57	
Concessions	15,331.00	
Interest on notes receivable	797.95	
Rent	180.00	
Sale of manure	1,200.00	
Leads to post	70.00	
Sale of materials from demolished building	50.00	
Total		$863,873.52

*EXPENSES

State license—25 days at $6,000.00 each		$150,000.00	
State tax on pari-mutuel sales		75,099.29	
State tax on admissions		2,015.47	
Stakes and purses		250,950.00	
Awards to breeders		4,000.00	
Pari-mutuel expenses:			
Salaries and wages		55,710.00	
Stationery and printing		11,704.09	
Insurance on money		586.03	
Cash shortage—net		1,037.86	
Miscellaneous		1,027.29	
Salaries and wages of racing officials and employees		35,374.95	
Services of detective agencies		4,824.00	
Ambulance service		175.00	
Rent of starting stalls		1,000.00	
Photo-finish expense		3,125.00	
Wages of track employees		18,669.37	
Advertising and publicity service		10,632.04	
Officers' salaries and directors' compensation:			
A. J. Cummings, president and director (to date of death, July 9, 1937)	$5,913.26		
M. J. Winn, vice-president and director	2,499.96		
F. J. Brady, secretary-treasurer and director	9,000.00		
James Butler, director	2,499.96		
W. M. Butler, director	2,499.96		
Rigan McKinney, director	2,499.96		
Total		24,913.10	
Carried forward		$650,843.49	$863,873.52

Revenue—(forward)			$863,873.52
Expenses—(forward)		$650,843.49	
Office salaries		4,043.00	
Repairs and maintenance of property		12,205.40	
Automobile and tractor expense		573.18	
Water, heat, and light		1,690.39	
Taxes—real estate, franchise, personal property, Federal capital stock, etc.		21,229.86	
Insurance premiums—net		9,539.82	
Office rent—New York City		966.66	
Stationery, printing, and postage		2,829.79	
Telephone and telegraph—net		619.46	
Professional services		1,764.07	
Donations:			
Reverend Joseph A. Meyer	$2,000.00		
The Howard County Public Health Association	250.00		
Total		2,250.00	
Provision for doubtful accounts receivable from horsemen		166.50	
Expenses of State police		65.04	
Interest on loan, etc.		260.45	
Federal old age benefits tax		1,195.46	
Unemployment insurance taxes		1,317.08	
Miscellaneous		2,219.23	
Total			713,778.88
***Net Income for the Year**			**$150,094.64**
SURPLUS CREDITS			
Pari-mutuel tickets outstanding applicable to the meeting of the year 1934, credited to surplus		$2,980.15	
Capitalizing cost of equipment purchased in year 1935 which was disallowed as expense by Bureau of Internal Revenue		296.57	
Total			3,276.72
***Gross Surplus for the Year**			**$153,371.36**
SURPLUS CHARGES (exclusive of dividends)			
License fee or tax of 15% of net taxable revenue for the preceding year ended November 1		$20,016.08	
Federal tax on income for the preceding calendar year		16,649.86	
Additional Federal tax on income for the calendar year 1935, and interest thereon		15,774.44	
Provision for depreciation for the preceding calendar year, as determined by the company		17,772.94	
Total			70,213.32
Surplus for the Year, Before Dividends			$83,158.04
Dividends Paid, December 14, 1936			100,000.00
Deficit for the Year			**$16,841.96**

NOTES:

*Exclusive of or before provision for depreciation of property, Federal income tax, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the foregoing statement for State unemployment insurance tax for the year 1936, for depreciation of property, Federal and State taxes on income, and Federal and State unemployment insurance taxes for the period from January 1 to November 1, 1937, for license fee or tax of 15% of net taxable revenue for the year ended Novemeber 1, 1937, amounting to $12,019.22, or for Federal capital stock tax accrued for the period from July 1 to November 1, 1937

Statement Showing Computation of Net Revenue for the Year Ended November 1, 1937, Taxable by the Maryland Racing Commission

Deficit for the Year		$16,841.96
Amounts which were deducted in determining deficit for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income:		
Year ended December 31, 1936	$16,649.86	
Additional tax for year ended December 31, 1935, and interest thereon	15,774.44	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 1, 1936	20,016.08	
Provision for depreciation for the year ended December 31, 1936, as determined by the company	17,772.94	
Dividend paid December 14, 1936	100,000.00	
Interest on loan, etc.	260.45	
Donations	2,250.00	
		172,723.77
Net Taxable Revenue Before Deducting Cost of Additions to Property		$155,881.81
Deduct Cost of Additions to Property During the Year Ended November 1, 1937 (allowed by the Commission as a deduction in computing net taxable revenue, as permitted by law):		
Construction of:		
Three new stables	$17,705.22	
Garage	1,594.42	
Elevator shaft, tunnel,new judges' stand, etc.	45,100.13	
Elevator	6,326.55	
Fence	2,711.15	
Tractor and mower	990.00	
Electric heaters	195.04	
Office furniture and fixtures:		
At Laurel office	130.14	
At New York office	1,001.02	
		75,753.67
Net Revenue for the Year Ended November 1, 1937, Taxable by the Maryland Racing Commission		$80,128.14
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended November 1, 1937		$12,019.22

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of The Maryland State Fair, Incorporated, for the year ended November 1, 1937, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 9, 1937.

THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY

Statement of Income and Surplus for the Year Ended November 30, 1937

REVENUE

Admissions:		
General		$225,156.00
Reserved seats		8,526.08
Club House		22,285.50
Boxes		11,160.00
Membership dues		25,360.00
Pari-mutuel commissions and breakage		847,423.05
Programs—net		15,241.50
Concessions		17,500.00
Broadcasting privilege		7,000.00
Rent:		
Real estate		5,901.82
Equipment		1,000.00
Miscellaneous		2,120.58
Total		$1,188,674.53

*EXPENSES

State license—25 days at $6,000.00 each			$150,000.00
Baltimore County license—25 days at $3,000.00 each			75,000.00
State tax on pari-mutuel sales			101,849.41
State tax on admissions			2,405.87
Stakes and purses			331,150.00
Awards to breeders			7,750.00
Trophies			2,287.50
Pari-mutuel expenses:			
Salaries and wages			74,382.00
Stationery and printing			4,440.79
Transportation of money			1,030.00
Cash shortage—net			45.01
Odds and result board operating expense			7,500.00
Rent of totalisator			30,000.00
Salaries and wages of racing officials and employees			48,173.16
Services of detective agencies			3,863.80
Ambulance service			375.00
Rental of starting stalls			1,150.00
Photo-finish expense			1,875.00
Music			280.00
Advertising and publicity service			11,191.61
Officers' salaries, directors' compensation, and legal retainer fees:			
C. E. McLane:			
Salary as president	$4,000.00		
Compensation as director	70.00		
		$4,070.00	
Carried forward		$4,070.00	$854,749.15

Revenue—(forward)			$1,188,674.53
Expenses—(forward)		$4,070.00	$854,749.15
Alfred G. Vanderbilt:			
Salary as vice-president	$2,500.00		
Compensation as director	60.00		
		2,560.00	
M. L. Daiger:			
Salary as secretary and general manager	$10,000.00		
Compensation as director	70.00		
		10,070.00	
C. B. Reeves:			
Salary as treasurer	$4,000.00		
Compensation as director	60.00		
		4,060.00	
H. S. Thompson—Salary as assistant treasurer		2,171.28	
Compensation as director:			
Frank J. Bryan		40.00	
D. Sterrett Gittings		70.00	
Cary T. Grayson		10.00	
Chester F. Hockley		50.00	
S. S. Janney		70.00	
J. W. Y. Martin		30.00	
Ral Parr		40.00	
Lawrason Riggs		50.00	
Erle D. Walden		40.00	
R. J. Walden		10.00	
Walter Wickes		60.00	
Ritchie, Janney, Ober and Williams—legal retainer fees		3,000.00	
Total			26,401.28
Office salaries			3,440.84
Rent of track property, including amortization of cost of renewing lease			28,100.00
Provision for amortization of improvements to leased property and depreciation of equipment, as determined by the Company			45,157.08
Wages of regular track employees			16,806.03
Repairs and maintenance of property			66,253.97
Tools and supplies			1,596.42
Auto and truck hire			1,086.50
Water, heat, and light			2,984.67
Taxes—real estate, personal property, franchise, Federal capital stock, etc.			25,652.40
Insurance premiums			21,416.90
Stationery and printing			5,871.46
Telephone and telegraph			778.16
Legal and professional accounting expenses			1,235.16
Loss on sale of certificates of beneficial interest of City Certificates Corporation			1,092.88
Carried forward			$1,102,622.90

Revenue—(forward)			$1,188,674.53
Expenses—(forward)		$1,102,622.90	
Loss on dead horses		341.19	
Interest on loans		86.04	
Donations:			
The Community Fund of Baltimore, Inc.	$1,000.00		
Baltimore Police Beneficial Association	100.00		
Total		1,100.00	
Federal old age benefits tax		1,315.81	
Unemployment insurance taxes		3,408.20	
Miscellaneous		6,048.40	
Total			1,114,922.54
***Net Income for the Year**			**$73,751.99**

SURPLUS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the year 1934, credited to surplus	$3,790.20	
Proceeds of insurance on property destroyed by fire (property fully amortized)	10,555.00	
Total		14,345.20
***Gross Surplus for the Year**		**$88,097.19**

SURPLUS CHARGES (exclusive of dividends)

State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended November 30	$14,973.17	
Federal tax on income for the preceding year ended November 30, and interest thereon	8,619.20	
Total		23,592.37
Surplus for the Year, Before Dividends		**$64,504.82**
Dividends Paid		**72,640.00**
Deficit for the Year		**$8,135.18**

NOTES:

*Exclusive of or before provision for Federal income tax and State license fee or tax of 15% of net taxable revenue.

The foregoing statement does not include:

Provision for depreciation of buildings and miscellaneous property, except depreciation of one tractor purchased in 1937.

License fee or tax of 15% of net taxable revenue for the year ended November 30, 1937, amounting to $15,105.11.

Provision for Federal and State taxes on income for the year ended November 30, 1937.

Federal unemployment insurance tax for the period from January 1 to November 30, 1937.

State unemployment insurance tax for the period from October 1 to November 30, 1937.

Provision for Federal capital stock tax accrued for the period from July 1 to November 30, 1937.

Portion of profit or loss applicable to the investment in capital stock of Maryland State Fair and Agricultural Society of Baltimore County, Md., an affiliated company. Based on statements submitted by the affiliated company (but not verified by Messrs. Haskins & Sells) the company's portion of loss amounts to approximately $6,500.00 for the year ended November 30, 1937, and its portion of profit amounts to approximately $15,500.00 for the year ended November 30, 1936.

Statement Showing Computation of Net Revenue for the Year Ended November 30, 1937, Taxable by the Maryland Racing Commission

Deficit for the Year		$8,135.18
Add amount which was credited in determining deficit for the year, but which is not taxable by the Commission—proceeds of insurance on property (constructed prior to 1920) destroyed by fire		10,555.00
Total		$18,690.18
Amounts which were deducted in determining deficit for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income for the year ended November 30, 1936, and interest thereon	$8,619.20	
Provision for amortization of improvements to leased property and depreciation of equipment, as determined by the Company	45,157.08	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 30, 1936	14,973.17	
Dividends paid	72,640.00	
Interest on loan	86.04	
Donations	1,100.00	
Loss on dead horses	341.19	
Excess of officers' salaries, directors' compensation, and legal retainer fees paid over amount allowable by the Commission	1,401.28	
		144,317.96
Net Taxable Revenue Before Deducting Cost of Additions to Property		$125,627.78
Deduct Cost of Additions to Property During the Year Ended November 30, 1937 (allowed by the Commission as a deduction in computing net taxable revenue, as permitted by law):		
Construction of new barn, new press stand, and new fences	$15,246.00	
Additions to structure in infield for betting purposes	1,788.65	
New boxes in grandstand and small club house	2,455.26	
Concrete runway and fill for starting gate in five-furlong races	1,030.00	
Winner's ring in front of grandstand	400.00	
Flag pole in infield	681.00	
Loud speaker equipment	1,901.74	
Tractor	1,124.00	
Mowing machine	98.00	
Miscellaneous equipment	202.41	
		24,927.06
Net Revenue for the Year Ended November 30, 1937, Taxable by the Maryland Racing Commission		$100,700.72
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended November 30, 1937		$15,105.11

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of The Maryland Jockey Club of Baltimore City for the year ended November 30, 1937, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 28, 1937.

THE SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION OF PRINCE GEORGE'S COUNTY, MARYLAND

Statement of Income and Surplus for the Year Ended December 6, 1937

REVENUE

Admissions:		
General	$129,543.00	
Club House	14,432.00	
Paddock	1,314.00	
Boxes	4,932.50	
Service charges in connection with complimentary badges	12,927.90	
Pari-mutuel commissions and breakage	651,189.80	
Programs—net	11,867.00	
Concessions	15,778.50	
Miscellaneous	460.20	
Total		$842,444.90

*EXPENSES

State license—$6,000.00 per day	$150,000.00	
State tax on pari-mutuel sales	78,823.15	
State tax on admissions	1,350.56	
Stakes and purses	203,000.00	
Awards to breeders	3,000.00	
Pari-mutuel expenses:		
Salaries and wages	69,313.00	
Stationery and printing	12,207.24	
Insurance on money	760.19	
Miscellaneous	1,182.92	
Salaries and wages of racing officials and employees	46,908.99	
Detective services	2,699.00	
Ambulance service	250.00	
Royalty for use of starting stalls	725.00	
Cost of installing rented odds and result board equipment	2,000.00	
Rental and operation of odds and result board	2,500.00	
Photo-finish expense	1,875.00	
Music and announcing	825.00	
Advertising and publicity service	4,623.64	
Officers' salaries, directors' compensation, and legal retainer fee:		
M. H. Magruder, president:		
Salary and counsel fee	$9,000.00	
Compensation as director	500.00	
	$9,500.00	
Carried forward	$9,500.00	$582,043.69

Revenue—(forward)			$842,444.90
Expenses—(forward)		$9,500.00	$582,043.69
Wm. G. Brooke, secretary:			
Salary	$2,500.00		
Compensation as director	500.00		
		3,000.00	
A. S. Jump, treasurer and assistant manager—salary		3,875.00	
Joseph B. Boyle, general manager—salary		6,500.08	
C. Carter Hall:			
Compensation as director	$500.00		
Other compensation	450.00		
		950.00	
Compensation as director:			
James A. Bean		500.00	
James B. Berry		500.00	
Frank M. Hall		500.00	
Guy W. Latimer		500.00	
Thomas N. Magruder		500.00	
Oliver S. Metzerott		500.00	
Ellis O. Middleton		500.00	
R. Lee Mullikin		500.00	
Harry Nalley		500.00	
Claude H. Owen		500.00	
George N. Palmer		500.00	
Frank Small, Jr. (paid prior to June 30, 1937)		500.00	
Total			29,825.08
Office salaries			1,224.75
Wages paid to regular track employees			11,954.22
Repairs and maintenance			6,774.00
Light, heat, etc.			1,302.98
Taxes—real estate, personal property, franchise, Federal capital stock, etc.			10,634.24
Insurance premiums			9,192.30
Rent of offices			1,584.00
Stationery and printing			3,905.14
Telephone and telegraph			549.14
Professional services			1,719.36
Uncollectible accounts receivable written off, less recoveries			168.20
Interest on loans			26.39
Donations:			
Community Fund of Baltimore		$1,000.00	
Bowie Volunteer Fire Department		100.00	
Glendale Volunteer Fire Department		100.00	
Sundry small donations		136.50	
Total			1,336.50
Carried forward			$662,239.99

Revenue—(forward)		$842,444.90
Expenses—(forward)	$662,239.99	
Federal old age benefits tax	1,131.67	
Unemployment insurance taxes	2,232.71	
Miscellaneous	4,010.25	
Total		669,614.62
***Net Income for the Year**		**$172,830.28**

SURPLUS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the year 1934, credited to surplus	$2,767.30	
Proceeds of insurance on property destroyed by fire (property not carried on the books)	7,100.00	
Old outstanding checks returned to cash	301.20	
Total		10,168.50
***Gross Surplus for the Year**		**$182,998.78**

SURPLUS CHARGES (exclusive of dividends)

State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended December 6	$15,561.34	
Provision for depreciation for the preceding calendar year (as determined by the Association)	17,146.76	
Federal tax on income for the preceding calendar year	11,826.55	
Total		44,534.65
Surplus for the Year, Before Dividends		**$138,464.13**
Dividends Paid		**89,920.00**
Surplus for the Year		**$48,544.13**

NOTES:

*Exclusive of or before provision for depreciation, Federal tax on income, and State license fee or tax of 15% of net taxable revenue.

No provision is included in the foregoing statement for depreciation of property, Federal and State taxes on income, and Federal unemployment insurance tax for the period from January 1 to December 6, 1937, for State unemployment insurance tax for the period from October 1 to December 6, 1937, for license fee or tax of 15% of net taxable revenue for the year ended December 6, 1937, amounting to $24,815.08, or for Federal capital stock tax accrued for the period from July 1 to December 6, 1937.

Statement Showing Computation of Net Revenue for the Year Ended December 6, 1937, Taxable by the Maryland Racing Commission

Surplus for the Year		$48,544.13
Add amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended December 6, 1936	$15,561.34	
Provision for depreciation for the year ended December 31, 1936, as determined by the Association	17,146.76	
Dividends paid	89,920.00	
Federal tax on income for the calendar year 1936	11,826.55	
Interest on loans	26.39	
Excess of officers' salaries, directors' compensation, and legal retainer fee paid over amount allowable by the Commission	4,825.08	
Salaries paid to two special inspectors appointed by the Association	2,500.00	
Donations	1,336.50	
		143,142.62
Total		$191,686.75
Deduct amount which was added in determining surplus for the year, but which is not taxable by the Commission—Proceeds of insurance on property (constructed prior to 1920) destroyed by fire		7,100.00
Net Taxable Revenue Before Deducting Cost of Additions to Property		$184,586.75
Deduct Cost of Additions to Property During the Year Ended December 6, 1937 (allowed by the Commission as a deduction in computing net taxable revenue, as permitted by law):		
Land	$800.00	
Fence	2,221.72	
Electrical equipment for illuminating stables and grounds	1,869.40	
Construction of:		
Three stables	12,704.40	
Building for housing odds and result board equipment	607.64	
Pump and motor	359.72	
Oil burner	435.00	
Adding machine	155.00	
		19,152.88
Net Revenue for the Year Ended December 6, 1937, Taxable by the Maryland Racing Commission		$165,433.87
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended December 6, 1937		$24,815.08

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have made an examination of the accounts of The Southern Maryland Agricultural Association of Prince George's County, Md., for the year ended December 6, 1937, and in our opinion the above statement sets forth the net revenue for the year ended that date which is taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 22, 1937.

THE MARYLAND STATE FAIR BOARD

RECEIPTS AND ALLOCATIONS

For the Year 1937

RECEIPTS

State Appropriation		$10,000.00
State and County Fairs		
Maryland State Fair and Agricultural Society of Baltimore County, Timonium (Maryland State Fair for 1937):		
One per cent tax on money wagered over $500,000	$3,775.60	
Five per cent tax on net profit for year ended November 30, 1937	.....	
Unexpended balance of $5,000 allowed for premiums	.....	$3,775.60
Agricultural and Mechanical Association of Washington County, Hagerstown:		
One per cent tax on money wagered over $500,000	$1,151.29	
Five per cent tax on net profit for year ended November 30, 1937	223.07	
Unexpended balance of $5,000 allowed for premiums	856.65	2,231.01
Harford County Fair Association, Incorporated, Bel Air:		
One per cent tax on money wagered over $500,000	$4,149.55	
Five per cent tax on net profit for year ended December 9, 1937	.....	
Unexpended balance of $5,000 allowed for premiums	.....	4,149.55
Cumberland Fair Association, Incorporated, Cumberland:		
One per cent tax on money wagered over $500,000	$3,155.72	
Five per cent tax on net profit for year ended September 30, 1937	.....	
Unexpended balance of $5,000 allowed for premiums	279.16	3,434.88
Southern Maryland Agricultural Fair Association, Marlboro:		
One per cent tax on money wagered over $500,000	$921.91	
Five per cent tax on net profit for year ended September 30, 1937	974.75	
Unexpended balance of $5,000 allowed for premiums	.....	1,896.66
Total		$25,487.70

ALLOCATIONS

Maryland Agricultural Society	$1,400.00	
Charles County Fair	1,200.00	
Cambridge Fair Association, Inc.	1,200.00	
Carroll County Agricultural and Fair Association	1,200.00	
Frederick County Agricultural Society	2,500.00	
Baltimore Livestock Show	2,500.00	
Calvert County Fair	400.00	
Maryland State Fair and Agricultural Society of Baltimore County (State Fair, 1937)	10,108.50	20,508.50
Balance on Hand		$4,979.20

AGRICULTURAL AND MECHANICAL ASSOCIATION OF WASHINGTON COUNTY

Statement of Receipts and Disbursements for the Year Ended November 30, 1937

REVENUE

Admissions	$9,640.95	
Pari-mutuel commissions and breakage	66,600.10	
Programs	1,077.76	
Concessions	1,900.00	
Miscellaneous	498.40	
Total		$79,717.21

EXPENSES

County license—10 days at $50.00 per day	$500.00	
State tax of 1% on all money bet in excess of $500,000.00	1,151.29	
Purses	29,000.00	
Pari-mutuel salaries	7,000.00	
Salaries and wages of racing officials and employees	7,520.32	
Services of detective agency	630.00	
Rental of starting stalls	342.96	
Advertising and publicity service	1,010.78	
Directors' fees	1,918.00	
Repairs and improvements	11,270.62	
Real estate tax	536.47	
Insurance premiums	1,715.90	
Premiums	4,143.35	
Miscellaneous	8,516.11	
Total		$75,255.80
Net Revenue for the Year 1937		**$4,461.41**
License Fee or Tax of 5% of Net Taxable Revenue for the Year Ended November 30, 1937		**$223.07**

HARFORD COUNTY FAIR ASSOCIATION, INCORPORATED

Statement of Income and Disbursements for the Year Ended December 9, 1937

REVENUE

Admissions		$19,764.21
Pari-mutuel commissions and breakage		98,554.10
Programs		2,744.68
Concessions		3,233.57
Miscellaneous		471.00
Total		$124,767.56

EXPENSES

County license, 10 days at $50.00 per day		$500.00
State tax of 1% on wagers over $500,000		4,149.55
Purses		31,385.00
Pari-mutuel salaries		9,390.00
Salaries and wages of racing officials and employees		6,852.10
Services of detective agency, police and sheriff		2,557.00
Rental of starting stalls		250.00
Advertising and publicity service		1,732.85
Officers' salaries and directors' fees:		
G. R. Bryson, managing director	$2,500.00	
T. Roy Brookes, president	1,000.00	
A. G. Ensor, treasurer	1,000.00	
Gladden Davis, secretary	1,000.00	
Robert H. Archer, attorney	1,000.00	
B. W. Amoss, director	250.00	
C. C. Spencer, director	250.00	
A. H. Wilson, director	250.00	
Ray C. Norman, director	250.00	
Clarence Streett, director	250.00	
		7,750.00
Repairs and improvements		80,703.67
Real estate tax		107.73
Insurance premiums		653.23
Premiums		6,137.70
Miscellaneous (Supporting statement submitted)		29,264.43
Total		181,433.26
Deficit for the Year 1937		**$56,665.70**

CUMBERLAND FAIR ASSOCIATION, INCORPORATED

Statement of Income and Disbursements for the Year Ended September 30, 1937

REVENUE

Admissions	$23,451.67	
Pari-mutuel commissions and breakage	88,575.60	
Programs	1,683.10	
Concessions	3,771.51	
Miscellaneous	4,602.62	
Total		$122,084.50

EXPENSES

County license, 10 days at $50.00 per day	$500.00	
State tax of 1% on all money bet in excess of $500,000	3,155.72	
Purses	28,900.00	
Pari-mutuel salaries	10,201.65	
Salaries and wages of racing officials and employees	5.568.20	
Services of detective agency	3,535.40	
Rental of starting stalls	390.00	
Advertising and publicity services	7,259.81	
Officers' salaries and directors' fees	.....	
Repairs and improvements	3,946.82	
Insurance premiums	1,939.87	
Premiums	4,720.84	
Miscellaneous (Supporting statement submitted)	52,917.28	
Total		123,035.59
Deficit for the Year 1937		**$951.09**

SOUTHERN MARYLAND AGRICULTURAL FAIR ASSOCIATION

Statement of Income and Disbursements for the Year Ended September 30, 1937

REVENUE

Admissions		$9,779.00
Pari-mutuel commissions and breakage		63,910.90
Programs		1,088.75
Concessions		2,589.28
Miscellaneous		1,244.19
Total		$78,612.12

EXPENSES

County license—9 days at $50.00 per day		$450.00
State tax of 1% on all money bet in excess of $500,000		921.91
Purses		25,400.00
Pari-mutuel salaries		6,174.06
Salaries and wages of racing officials and employees		5,166.18
Services of detective agency		1,188.40
Other taxes		2,019.12
Advertising and publicity service		1,149.80
Officers' salaries and directors' fees:		
Joseph B. Boyle	$990.00	
Alton S. Jump	495.00	
William G. Brooke	510.00	
Frank M. Hall	10.00	
James B. Berry	10.00	
John Parran	10.00	
Total		2,025.00
Repairs and improvements		3,897.97
Real estate tax		567.93
Insurance premiums		2,324.14
Premiums		5,051.47
Miscellaneous		2,781.03
Total		$59,117.01
Net Revenue for the Year 1937		**$19,495.01**
License Fee or Tax of 5% of Net Taxable Revenue for the Year Ended September 30, 1937		**$974.75**

MARYLAND STATE FAIR AND AGRICULTURAL SOCIETY OF BALTIMORE COUNTY

Statement of Income and Disbursements for the Year Ended November 30, 1937

REVENUE

Admissions		$36,992.05
Pari-mutuel commissions and breakage		96,219.00
Programs		2,221.35
Concessions		12,106.81
Miscellaneous*		12,124.66
Total		$159,663.87

EXPENSES

County license—10 days at $50.00 per day		$500.00
State tax of 1% on all money bet in excess of $500,000		3,755.60
Purses		30,600.00
Pari-mutuel salaries		8,080.00
Salaries and wages of racing officials and employees		19,040.65
Services of detective agency		320.00
Rental of starting stalls		250.00
Advertising and publicity service		2,873.78
Officers' salaries:		
Laban Sparks, president	$1,250.00	
R. L. Walden, vice-president	500.00	
C. E. McLane, treasurer	1,750.00	
M. L. Daiger, secretary	4,500.00	
Total		8,000.00
Directors' fees		280.00
Repairs and improvements		50,566.21
Real estate tax		3,988.19
Insurance premiums		7,756.18
Premiums		18,945.40
Miscellaneous		13,819.26
Total		168,775.27
Deficit for the Year 1937		**$9,111.40**

*Includes $2,000.00 from Baltimore County Commissioners and $10,108.50 from the Maryland State Fair Board.